

Message Text

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45

ACTION COME-00

INFO OCT-01 AF-10 ISO-00 EB-11 XMB-07 TRSE-00 CIAE-00

INR-10 NSAE-00 RSC-01 STR-08 AID-20 IGA-02 DRC-01 L-03

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R 140630Z FEB 74

FM AMEMBASSY TANANARIVE

TO SECSTATE WASHDC 6001

UNCLAS TANANARIVE 0190

E.O. 11652: N/A

TAGS: ETRD, MA

SUBJ: POSSIBLE SALE OF MACK TRUCKS TO GOMR

REF: A. TANANARIVE 1821 OF DEC. 28, 1973

B. TANANARIVE 0068

DEPARTMENT PASS TO COMMERCE AND EXIMBANK

1. BEGIN SUMMARY: MACK TRUCKS HAS ASKED MALAGASY GOVERNMENT (GOMR) TO APPROACH EXIMBANK FOR LOAN TO FINANCE POSSIBLE PURCHASE 30 DUMP TRUCKS. ACTION REQUESTED: REQUEST DEPARTMENT SUGGEST TO MACK TRUCKS THAT AS SUPPLIER IT REQUEST LTR OF COMMITMENT FROM EXIMBANK. END SUMMARY.

2. AS DEPARTMENT AWARE FROM REFTELS, EMBASSY HAS BEEN ATTEMPTING TO ASSIST MACK TRUCKS WORLDWIDE LIMITED IN INTERESTING GOMR IN PURCHASE OF DUMP TRUCKS FOR NEW GOVERNMENT-OWNED CONSTRUCTION ORGANIZATION, SINTP. MACK TRUCKS REPRESENTATIVE WHO VISITED TANANARIVE IN NOVEMBER TOLD GOMR AT THAT TIME, MACK WOULD BE SENDING COMPLETE TECHNICAL AND FINANCIAL PROPOSAL FOR SALE OF 30 DUMP TRUCKS AFTER CHECKING WITH EXIMBANK RE POSSIBLE FINANCING ASSISTANCE.

3. EMBASSY HAS JUST RECEIVED COPY OF FEBRUARY 8 LTR FROM ANTHONY B. MAYNARD, ASSISTANT REGIONAL MANAGER OF MACK TRUCKS
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ADDRESSED TO GEDEON RAJAONSON OF MINISTRY OF TERRITORIAL

DEVELOPMENT (RECENTLY APPOINTED DIRECTOR OF SINTP). LTR INDICATES TECHNICAL OFFER REGARDING 30 DUMP TRUCKS WILL BE SENT IN FEW DAYS. RE FINANCIAL TERMS OF SALE, LTR INDICATES THAT MACK TRUCKS UNDERSTOOD THAT GOMR WOULD BE REQUESTING LOAN FROM U.S. EXPORT-IMPORT BANK BUT THAT IN CHECKING WITH EXIMBANK IT WAS FOUND THAT THERE HAD BEEN NO SUCH MALAGASY REQUEST. LTR GOES ON TO SAY BECAUSE OF THIS FACT, MACK TRUCKS CANNOT SUBMIT FINANCIAL PROPOSAL AND ASKS THAT GOMR SUBMIT FORMAL APPLICATION TO EXIMBANK FOR PROJECT LOAN TO COVER IMPORT OF 30 DUMP TRUCKS.

4. EMBASSY HAS BEEN UNABLE TO DISCUSS MACK TRUCKS LETTER WITH RAJAONSON WHO JUST LEFT COUNTRY ON SEVERAL WEEK TRIP TO U.S. AT CATERPILLAR'S INVITATION. HOWEVER, WE BELIEVE THAT IT IS HIGHLY UNLIKELY SINTP ITSELF WILL BE PREPARED TO REQUEST CREDIT FACILITIES FROM EXIMBANK SINCE IT HAS NOT YET DETERMINED WHAT TYPE OF DUMP TRUCKS AND OTHER EQUIPMENT TO PURCHASE. (PURPOSE OF REQUEST FOR MACK TRUCKS PROPOSAL WAS TO ALLOW SINTP OPPORTUNITY TO COMPARE PRICE AND TECHNICAL SPECIFICATIONS OF MACK EQUIPMENT WITH PROPOSALS FROM OTHER FOREIGN FIRMS). FURTHERMORE, SINTP HAS NO PRICE INFORMATION ON WHICH TO BASE REQUEST TO EXIMBANK FOR CREDIT FACILITIES. REQUEST FOR LOAN ALSO SEEMS INAPPROPRIATE SINCE EMBASSY UNDERSTANDS EXIMBANK DOES NOT NORMALLY PROVIDE DIRECT CREDIT FOR PURCHASES VALUED UNDER \$ONE MILLION.

5. ACTION REQUESTED: REQUEST DEPT CONTACT MR. MAYNARD OR FRANK WRIGHT, VP INTERNATIONAL SALES DIVISION OF MACK TRUCKS, AND SUGGEST THAT, IN LIGHT OF APPARENT CONFUSION RE EXIMBANK FINANCING AND OF INFO PARA 3 ABOVE, MACK TRUCKS SHOULD CONSIDER REQUESTING IN CAPACITY AS SUPPLIER LTR OF COMMITMENT FROM EXIMBANK INDICATING WHAT CREDIT AND/OR CREDIT GUARANTEES COULD BE OBTAINED FOR SALE OF 30 DUMP TRUCKS TO SINTP. LTR OF COMMITMENT COULD THEN BE USED BY MACK TRUCKS FOR OWN FINANCIAL PROPOSAL WHICH SHOULD BE SUBMITTED ASAP TO SINTP. DEPT SHOULD OUTLINE EXIMBANK FACILITIES, INCLUDING CFF, TO MACK TRUCKS AND POINT OUT SINCE ITS TRUCKS HAVE NOT PREVIOUSLY BEEN USED IN MADAGASCAR, IT SHOULD ATTEMPT MAKE OFFER AS ATTRACTIVE AS POSSIBLE. SALE OF SINTP COULD WELL HELP OPEN UP OTHER OPPORTUNITIES FOR MACK IN MADAGASCAR.

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6. PLEASE ADVISE EMBASSY OF MACK TRUCKS' REACTION TO PROPOSAL PARA 5.
MENDENHALL

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRUCKS, GOVERNMENT PROCUREMENT, BANK LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 14 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974TANANA00190
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: TANANARIVE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740231/aaaabdbo.tel
Line Count: 111
Locator: TEXT ON-LINE
Office: ACTION COME
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: A. TANANARIVE 1821 OF DEC. 28, 1973
Review Action: RELEASED, APPROVED
Review Authority: shawdg
Review Comment: n/a
Review Content Flags:
Review Date: 27 FEB 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27 FEB 2002 by elbezefj>; APPROVED <29 NOV 2002 by shawdg>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: POSSIBLE SALE OF MACK TRUCKS TO GOMR
TAGS: ETRD, EFIN, MA
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005